Remarks Prepared for Delivery
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Thank you, John (John Douglass, AIA president). You have been a great leader for the American aviation sector. And with your continued leadership, I believe this sector will once again be flying straight, and flying high. Most of all, I commend you for your role on the Aerospace Commission and the challenge the Commission poses to the aviation community — to develop a new, highly sophisticated "Skyway" with the same vision with which our forebears created the Interstate Highway System.

For it was President Bush's grandfather – Senator Prescott Bush – who sponsored President Eisenhower's plan in the U.S. Senate to create an interstate highway network.

History buffs will recall the inspiration for the project came from the memories of President Eisenhower, who as a young Army officer had traveled with a transcontinental convoy from Washington to San Francisco in 1919.

That trip took 62 days, as the convoy got stuck in a gumbo of mud, and suffered one flat after another on patchy roads.

Almost half a century later, the nation still had no interstate worthy of the name. It was Senator Bush who finally said: "The importance of the Interstate Highway System is so great that it has to be provided for now. It must be completed within 10 years and must be put into effect as a whole, and not piecemeal."

Now I was at the DOT just a few years ago when the last piece dropped into place … so it took a little longer, but what an achievement!

I see that same sense of urgency coalescing today around aviation … in the Bush Administration – from the President, to Secretary Mineta, throughout the Department of Transportation, and the FAA. In an industry that generates economic activity equal to 15 percent of the national GDP, and supports eleven million American jobs.

I don't have to tell you that the aerospace-manufacturing workforce has declined 13 percent since September 11th — the lowest level since World War II. And, this sector rests on a technology platform that depends on the health of commercial aviation.

The FAA once believed demand would hit one billion passengers a year by 2010. Now, we believe it will be 2014 before we see aviation at such a level.

What is the role of a regulator in times like these? I am here today to tell you that our planning will not be a barrier to business.

But more than that, I am here today to tell you that our plans will be those of a business facilitator . . .because I know … as all of you do … that we are in danger of losing our aviation manufacturing industrial base if we don't act.

The aviation community tells us: You need to move more quickly. Be more nimble. You also tell us we are in danger of losing our international leadership. Some would say we are lagging behind the long-term planning of Europe.

You tell us that when demand returns — it will expose significant problems.

In short, you tell me the same things I've heard from my first day from my senior staff and experts at the FAA.

I have listened to them and I have listened to you. Now is the time for action. As Administrator, I am overseeing the development of a new strategic plan, one that will meet the needs of safety, more efficient and enlarged capacity and restored international leadership for American aviation.

I also intend to instill a spirit of organizational excellence at FAA. But I am also making it clear that we can do little alone. The members of AIA and FAA can only succeed if we work as a team.

Almost from the moment I've been on this job, I've been leading an intense strategic planning process. Just as those of you in industry have been forced to reassess your business models, so have we.

I want to assure you that the point of this process is not more process. We are committed to results — the kind of results that come from a dynamic plan — one that we're going to pulse regularly, measure continuously, and adapt as necessary in real-time.

We must be nimble, because we cannot precisely predict the future shape of aviation. Already, we're seeing more business jets traveling to small airports; and changes in the hub-and-spoke schedules. We expect more complex demands on airspace and air traffic facilities.

We don't know what the future will look like. We do know the future will require nothing less than the transformation of the U.S. air system.

To begin that transformation in the short-term, we've closely scrutinized the Operational Evolution Plan, or OEP, element by element, looking for high-impact changes we can make within five years, two years, one year, and tomorrow. I call this our "skunkworks" — a virtual hangar in the middle of our organization where turf is disallowed, and any good idea is on the table.

Let me say, the OEP is already bringing real and substantial benefits. Working together, the aviation community has achieved a total capacity increase of 5 percent since we began our collaborative work on the OEP — more than double the increase above plan. And, now we want more benefits … more quickly.

We're giving controllers the tools to approve more direct routes, saving airlines time and fuel. We have other new tools that enable controllers to use time-based metering, which is far more precise than standard miles-in-trail spacing, allowing controllers to land more aircraft per hour at LAX and other major airports. And, new runways are coming — four this year in Denver, Houston, Miami and Orlando.

Our skunkworks currently has three teams made up of experts from the FAA field, our headquarters and industry. All in all, we've come up with 60 to 70 ideas that break down to four general areas.

The first area concentrates on the need to move the air traffic system toward a performance-based model. This means having procedures based on the aircraft's performance capabilities … allowing the Corvettes and Lexuses of the airspace to safely pass and weave around the old, reliable Chevys.

We want to do this using existing technology already on aircraft … so users can get every benefit, every penny, from their existing investment and capabilities.

We'll begin with improved navigation procedures, the RNP approaches and departures you've heard me talk about it. Building on that success, we'll use the improved accuracy of the latest-generation ATCBI-6 (beacon interrogator) radars to revise procedures and enhance traffic flows at our busiest airports and in our busiest airspace. Moving to performance standards … independent of specific technologies and equipment … will allow us to be more responsive to changing user needs.

The second area of focus is improving the capability of local airports. Let's see how we can get more traffic in and out of small airports more safely.

Setting the world standard for community airports… airports like Williamsburg Jamestown or Manassas … will allow our manufacturers to remain at the forefront in providing airport capabilities with inexpensive, easy-to-install, easy-to-maintain systems.

We have the know-how to do this. We've learned a lot about the needs of these airports through Capstone in Alaska … and from NASA's work on the Small Aircraft Transportation System, or SATS, program.

A third area is a migration toward end-to-end seamless operations. Let's make sure we really have the big picture of what is happening in the system, and let's collaborate more to make operations even more efficient, especially during severe weather operations. Last weekend, I was at the Potomac TRACON. This consolidation of the five TRACONS in the Baltimore-Washington area, and the airspace redesign that comes with it, brings tremendous benefits in smoothing operations, saving time, and fuel.

Our ultimate goal is to look at flights the same way our customers do … from gate-to-gate. From surface … to terminal … to enroute … we will reexamine our airspace … our traffic flow management practices … to match operators' needs.

A fourth area is developing policies that encourage smarter use of congested airspace. We're going to look at the tools in our toolkit on how to handle peak traffic. Remember LaGuardia three years ago – if we have to limit traffic, what are the best ways to do it? Some airlines have voluntarily de-peaked – American at Chicago and Delta at Atlanta – this has helped their performance and ours.

Some think of the future of depeaking in terms of voluntary quotas. Others see the allocation of the most efficient space being performed by auctions. However it is done, we will make decisions in a collaborative way, with a heavy reliance on automation.

There are other changes coming. We know we need to continue to streamline certification. It still takes too long and imposes too heavy a burden on the first operators to equip with new technology. That's why we're working elbow-to-elbow with people like Bill Schultz from GAMA, and Dean Flatt from Honeywell, to streamline certification. By working with our Seattle offices, Dean and his colleagues have helped us achieve as much as an 80 percent reduction in overall certification time on an enhanced ground proximity warning system project.

Expect more results like these.

John Kern, is back at the FAA after a stint heading operations at Northwest. He's leading our long-term planning initiative. John has a new office at Market Square. Go visit. You'll see a lot of dry erase boards covered with diagrams. You'll also see a sign that says, "Good ideas are welcome here."

John means it. Add your own idea to that board.

Our mid-term goals will be an outgrowth of our revised OEP, goals we will work with you to refine if we are to shoot past projected capacity increases by 2015. We are seeking ways to guide Congress in streamlining the statutory and regulatory framework governing civil aviation. This is exactly the leadership we will need to transform goals into results.

The long-term is about twenty-plus years off, about as reasonably far as we can plan. With Secretary Mineta's encouragement, the FAA is actively working with DOD, TSA, NASA, Commerce, and other agencies to develop a shared view of the aviation system of the future.

We've already got a strong relationship with NASA on research and development. We have an excellent relationship with DOD coordinating airspace requirements. TSA — well, we're used to working together. And Commerce is coming on strong.

This is a strong team, but to win the regatta, we will all have to row in the same direction. Toward this end, we're working with these agencies on developing a national plan to address the aviation system of the future. The FAA chairs this group and will be directing the coordination of a working draft through the summer.

We are encouraging the informal participation of industry now and will establish a more formal role for stakeholders once a draft is developed sometime this fall.

By agreeing on the drivers of future demand, by seeking common goals, we can align our missions across government, our research dollars, and ultimately our deployment. We will ensure that the United States stays at the forefront of aviation.

While I cannot guess all the results of this joint research effort, surely we will agree that the future will develop all-weather capability, reducing the uncertainty and delay that degrades our current performance. Surely, we can also agree that any long-term vision will rest on a distributed architecture, one that will transform today's rigid system into one flexible enough to adapt to changing market conditions and national security needs.

This brings me to the final challenge the FAA is meeting—helping you to maintain our international leadership in aviation.

We owe it to our industry to promote the harmonization of aviation standards. And, we also owe it to industry to create an environment where new technologies are globally interoperable and quickly adopted.

In four months, the European Aviation Safety Agency will assume responsibilities for safety functions carried out by individual European Union members.

It remains to be seen what EASA will look like. Will it be beneficial to our aviation partnership with Europe? It must. After all, aerospace trade between the U.S. and EU economies exceeds $35 billion dollars. Both sides have too much at stake to let this partnership founder.

A critical goal will be to persuade the EU to reduce the time and costs required to certify and validate new aircraft and equipment. We will work closely with EASA to minimize differences in standards or procedures.

We simply cannot afford to compromise America's competitive role. In fact, it needs stronger support.

In efforts like these, the FAA is challenged to become as globally minded as our airlines, operators, and manufacturers. We're taking immediate steps at the FAA to ensure our actions not only maintain—but also enhance — America's aviation leadership role in safety and air traffic control.

I just came back from a trip to Prague … I spoke at the ATCA Civil – Military Air Traffic Management Conference … and I met with my Czech counterparts to discuss issues surrounding EASA. Next month, I'm going to meet with the EASA Management Board in Brussels and speak at the European Civil Aviation Conference and the European Aviation Club.

A common set of global rules with Europe is the best way to ensure smooth operations between developed nations, and a fair playing field for all competitors in emerging markets.

I've spoken today about managing a complex series of challenges over the short-term, mid-term and long-term, domestically and internationally.

Any complex challenge, however, soon comes down to a very simple denominator. It comes down to leadership.

Earlier, I spoke of the birth of the Interstate Highway System. Though few remember it today, there was a time in the mid-Fifties when it seemed as if the American Interstate would forever remain beyond our reach. The project got bogged down in competing visions over turf and formulas. There was no lack of bitterness and intrigue in that debate.

In short order, however, the national interest prevailed. It prevailed because of the vision of a former Army Lt. Colonel named Eisenhower, and senators like Prescott Bush.

The transformation of the aviation sector will occur if our current leaders have a shared vision of the national interest. I am here today to tell you that President Bush and Secretary Mineta consider the transformation of American aviation among this Administration's highest priority.

The will to succeed is here. The vision is here. The leadership is already at work.

Together, we will make the 21st Century another American Century of Aviation.

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